



**CITY OF RYE, NEW YORK
FINANCE COMMITTEE MINUTES**

July 18, 2006 – 7:00 p.m. – Employees' Lounge, City Hall

Present: Michael Caponiti, Fred Dunn, Paula Gamache, Norm MacMaster, David Mullane, Jono Peters and Arthur Stampleman; City Council liaison Duncan Hennes.

Absent: Steve Joyce, Steve Meyers, Council liaison George Pratt, and City staff liaison Michael Genito.

Guests: City Councilman Mack Cunningham.

Tax Certiorari Sub-Committee Report

Arthur Stampleman took the Finance Committee through the key Issues and conclusions memo prepared by the sub-committee. Finance Committee members discussed whether and to what extent an opinion should be offered by the Committee to the City Council on the adequacy of the tax certiorari reserves with respect to the Osborn litigation.

It was eventually decided that 1) the outcome of the Osborn litigation, which is still over one year away from final judgment, is too hard to predict; 2) the current approach employed by the City was reasonable and that no further action was required by the Finance Committee on this subject, and 3) after making some small editorial changes, the memorandum prepared by the sub-committee would be sent from the Finance Committee to the City Council for their information purposes only.

Real Estate Transfer Tax Sub-Committee Report

Paula Gamache led a discussion of the Real Estate Transfer Tax issue, using the memorandum prepared by the sub-committee. Paula first addressed why the proposal put forth by Councilman Seitz was not workable. She then briefed the Committee on her conversations with Assemblyman George Latimer on this subject. Finally, she articulated the characteristics that a real estate transfer tax must have in order to be palatable to the community, home sellers and home buyers impacted by the tax, and Albany.

The Committee concluded discussion on this subject by suggesting to Councilmen Hennes and Cunningham that the use of proceeds from such tax should be dedicated to the construction and reconstruction of infrastructure, namely road and bridge repair, and the decision to do so rests with the City Council. It was agreed that the Committee

would submit the sub-committee's memo to the City Council, together with an opinion letter on this topic prepared by Corporation Counsel.

Other Business

Councilman Cunningham took the floor to suggest two further areas of potential consideration for the Committee.

First, he asked if there was a way that the City could use its relationships with either its primary banker, or one of the seven banks with branches in Rye to reduce the finance charges incurred by the Golf Club and Rye Recreation in connection with the use of credit cards used by members/citizens to pay for services. He noted that both the Golf Club and Rye Recreation desire to continue to use the credit card payment system, because of the administrative ease it affords, but that the annual charges incurred (\$100,000 for the Golf Club; and \$8,000 for Rye Recreation) are onerous. Arthur Stampleman agreed to make some initial inquiries on this matter and report back to Councilman Cunningham directly.

Second, Councilman Cunningham noted that the City's limitation on the number of hours an employee could work and still be considered part time was putting the City at a competitive disadvantage with respect to other employers, including the School Board, which recently hired away a good part time City employee. He noted that he would contact Michael Genito to discuss the City's part time hiring policies and determine next steps thereafter.

Next Finance Committee Meeting

The next regular meeting of the Finance Committee is scheduled for Tuesday, August 15, 2006 at 7:00 p.m. in the Mayor's Conference Room in City Hall.

Adjournment

Having no further business, the meeting was adjourned at 8:15 p.m.

Respectfully submitted, and a special thanks to David Mullane for taking these minutes,

Michael A. Genito